

talk about a lease. Most Americans know what a lease is. Most Americans some time in their life have leased a home or leased an apartment. Some Americans have leased a house for their family or they have leased a car over a period of time.

Now when they lease, let's say, a car, they say I will pay you so much money for the ability to have this car in my possession and use it as I see fit for a period of time. And I am going to use it for transportation. But they don't have to use it for transportation. They can park it in the garage if they want to, but they would be economically stupid to park it in the garage when they are spending good money for the right to use that leased car. But they certainly would be entitled to do that. If they were doing it for business purposes, they certainly would lose money on that business.

There is no difference, really, between an oil and gas lease and any other sort of lease. The concept is the same concept. A company goes and bids to lease from the Federal Government a certain amount of land for the production of oil and gas and petroleum products. And they pay money to the Federal Government for the right to be able, for a period of time, 5 or 10 years, to explore and ultimately drill for and produce petroleum on that land. If they haven't done that within the period of time of that lease, then the lease is void and goes back to the government. I suppose the government can lease it to somebody else.

Now, we have a term that has come out "use it or lose it" which is nebulous, to say the least, because every single oil and gas lease that I have ever heard about from the Federal Government is a use-it-or-lose-it lease. The terms of the lease say you have the right to explore for and produce on this property for a set period of time, say 5 years. After that period, if you haven't done that, if you haven't explored and you haven't produced, the lease goes back because that's the purpose of your using this land. You either use it for that or after 5 years, the terms of the lease that you paid for, you lose it.

Now the oil companies spend billions of dollars for these leases because there is something peculiar about oil, and I think most people in this country understand this. The peculiarity is that it is not everywhere. It is sometimes in your backyard, and sometimes the nearest place is five States away. So the oil companies are speculating based upon sort of known concepts, but they use very highly technical equipment and procedures to give them an indication of whether or not there is oil or gas underneath a piece of property.

For my lifetime they have been using seismic measurements to determine whether or not there is the possibility of a formation below the ground that would be producing oil or gas. This seismic thing is not really fancy. It is vibrations through the earth and they

use explosives to make it. Now from the time when I was a kid when I tried to get a job on a seismic crew, that was pretty old-fashioned technology. Today I am sure it is digital and high tech and much better than it was in those days. And I just recently learned they are using some kind of magnetic survey that the big companies are working on that give them other indications where it might be. But the bottom line is it is either there or it is not, and they have to look for it and spend money to see if it is there. So they lease large parts of the country or the offshore area, and they go out and they spend lots of money to look and see if there is oil. And you know what, if they don't see any good indications for production that will pay for itself, they are in the business of oil and gas. So just like you wouldn't lease something you wouldn't use, they won't continue to lease a lease that they can't produce on.

But to say use it or lose it for the leases that are out there, believe me, every oil company that is in the business of producing petroleum products is going to utilize the money they spent on those leases to try to make discoveries to find oil and gas products.

So to come up this slogan that means nothing because it is already in the contract, it doesn't make sense. It is not a good way for us to stand up for the American people. The Democrats are in charge of this House. They have to be willing, as we were when we were in charge, to take the heat for the things that are happening in this country. And quite frankly, the heat right now is the price of gasoline. It has gone up \$1.75 or so since they got in office, and they have to take the heat.

What we Republicans are saying is basically what we have been saying since 1990: America has the potential to produce its own energy in multiple forms and we support all those forms that are clean, can be produced environmentally safely, and oil and gas falls within those parameters. And we should be using American energy that we can produce in America.

I would like to tell you, there is an issue about ANWR. ANWR is the frozen tundra area in the far north part of Alaska. You can probably see the pictures of those pristine mountains in the distance if you use a telescopic lens to make it look like they are in your backyard. But most pictures you see of actual ANWR, it kind of looks like this table but it is marshy and frozen.

And this is a good example so you know what we are talking about. I think every American knows what a football field looks like. If they don't, they know what a soccer field looks like. If you take a book of matches and toss it out on the football field, that book of matches would represent the area that is being sought to drill the well to produce in ANWR, and the football field would represent ANWR.

So when they are talking about destroying the wildlife preserve, we are

talking about a tiny bit of a place the size of South Carolina. That's what we are looking to drill on, that is what we are looking to produce on. And the track record is undisputable as far as drilling is concerned. Drilling is environmentally safe and almost spill-proof. Last year we spilled one tablespoon of oil in the drilling process. Remember, I said the drilling process. So one tablespoon of oil worldwide producing oil through drilling. So yes, there is a little spillage, but that ain't bad. That is pretty good, and I think we could do that without even spilling a drop in ANWR.

So these issues that are making so much noise come down to basic, sound principles that we can't afford \$4 or \$5 or \$6 a gallon gas until we start making some common sense about American policy towards oil and gas.

I don't even want to mention because I happen to be blessed to live down in a State where at least in my part of the State it doesn't get real cold in the wintertime. But I have been in Congress long enough to know that the minute it starts getting cold up here in the northern clime, people start getting real cold when they don't have heating oil to heat their homes. And then they start running to Congress and asking us to give them money to supplement their heating bills because the price of oil is through the roof. Well, they haven't seen the price of oil through the roof until they look at this \$138 or \$139 a barrel price for crude oil. And the heating cost that is going to be hitting the northeast and the midwest and the far west and the mountain areas of this country come cold weather time is going to make this problem with driving our automobiles look like a walk in the park for people in that cold weather.

So let's start dealing with this issue now so that we can, as we show the courage to do what is right and not block what is right, then those people who are speculating, and also just bidding in competition with us on the futures that are available in the oil market, will realize that America is serious about producing its own energy. And when they see us serious, they will know that we won't be the big players to drive up the market, and I believe they will start to dump those holdings they are holding now. As they dump those holdings into the market, the price will go down. It is the argument that everyone has said here today, the law of supply and demand. Right now we are short on supply, certainly short on domestic supply. As we show the will to seek domestic supply, our competitors will realize we are going to have our own supply which will make that international trading in the market less valuable to them and they will start to dump their oil before they start to lose money on their speculations. So I think this is common sense. This is easy. This is economics 101. I hope that everybody will remember that leasing is just exactly what it is.